GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:43
ANSWERED ON:24.11.2006
SIXTH CENTRAL PAY COMMISSION
Dhanaraju Dr. K.;Ponnuswamy Shri Mohan

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has constituted the Sixth Central Pay Commission;

(b) if so, the terms of reference thereof;

(c) whether the Commission has invited suggestions/comments from the interested parties including Government organisations, staff associations/unions,etc,;

(d) if so, the details in this regard;

(e) whether there has been persistent demands from various quarters for grant of interim relief;

(f) if so, the details thereof; and

(g) the action taken by the Government thereon?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (g): A Statement is laid on the table of the House.

STATEMENT REFERRED TO WITH REGARD TO REPLY TO PARTS (a) TO (g) OF THE LOK SABHA STARRED QUESTION NO. 43 FOR ANSWER ON 24.11.2006.

The Government has notified the Sixth Central Pay Commission on October 5, 2006. The Terms of reference of the Commission, as notified, are annexed. The Commission has taken steps to invite suggestions/comments from staff associations and Government organizations. The staff side has demanded Interim relief of Rs. 1000 per month. The issue relating to payment of Interim Relief has been included as one of the terms of reference of the Sixth Central Pay Commission.

Annexure

Terms of reference of the Sixth Central Pay Commission:-

A To examine the principles, the date of effect thereof that should govern the structure of pay, allowances and other facilities/benefits whether in cash or in kind to the following categories of employees:-

1 Central government employees - industrial and non-industrial.
2 Personnel belonging to the All India Services.
3 Personnel belonging to the Armed Forces.
4 Personnel to the Union Territories.
5 Officers and employees of the Indian Audit and Accounts Department; and
6 Officers and employees of the regulatory bodies set up under Acts of Parliament.

B To transform the Central Government Organisations into modern, professional and citizen-friendly entities that are dedicated to the service of the people.

C To work out a comprehensive pay package for the categories of Central Government employees mentioned at (A) above that is suitably linked to promoting efficiency, productivity and economy through rationalization of structures, organizations, systems and processes within the government, with a view leveraging economy, accountability, responsibility, transparency, assimilation of technology and discipline.

D To harmonize the functioning of the Central Government Organisations with the demands of the emerging global economic scenario. This would also take in account, among other relevant factors, the totality of benefits available to the employees, need of rationalization and simplification, thereof, the prevailing pay structure and retirement benefits available under the Central Public Sector Undertakings, the economic conditions in the country, the need to observe fiscal prudence in the management of the economy, the resources of the Central Government and the demands thereon on account of economic and social development, defence, national security and the global economic scenario, and the impact upon the finances of the States if the recommendations are adopted by the States.

E To examine the principles which should govern the structure of pension, death-cum-retirement gratuity, family pension and other terminal or recurring benefits having financial implications to the present and former Central Government employees appointed before January 1, 2004.

F To make recommendations with respect to the general principles, financial parameters and conditions which should govern payment of bonus and the desirability and feasibility of introducing Productivity Linked Incentive Scheme in place of the existing ad hoc bonus scheme in various Departments and to recommend specific formulae for determining the productivity index and other related parameters.

G To examine desirability and the need to sanction any interim relief till the time the recommendations of the Commission are made and accepted by the Government.